



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

March 02, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

33 MARCH 2, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**AGREEMENT BETWEEN THE LOS ANGELES COUNTY WATERWORKS
DISTRICT NO. 40, ANTELOPE VALLEY, AND THE CITY OF PALMDALE
TO CONSTRUCT A PORTION OF THE NORTH LOS ANGELES COUNTY
REGIONAL RECYCLED WATER PROJECT
(SUPERVISORIAL DISTRICT 5)
(3 VOTES)**

SUBJECT

This action is to authorize the Director of Public Works or her designee to execute an agreement with the City of Palmdale for the design and construction of a portion of the North Los Angeles County Regional Recycled Water Project.

IT IS RECOMMENDED THAT YOUR BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY WATERWORKS DISTRICT NO. 40, ANTELOPE VALLEY:

Authorize the Director of Public Works or her designee to execute an agreement, on behalf of the Los Angeles County Waterworks District No. 40, Antelope Valley, with the City of Palmdale, for the design and construction of a portion of the North Los Angeles County Regional Recycled Water Project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The project defined in the enclosed agreement is to construct a 1-million-gallon recycled water tank, a pump station, and 10.5 miles of recycled water pipeline within the City of Palmdale (City) and unincorporated County of Los Angeles. The project will supply recycled water to the City's Palmdale

Hybrid Power Plant (Plant) and existing and future irrigation uses along the project's corridor.

The purpose of the recommended action is to authorize the Director of Public Works or her designee to execute an agreement between the Los Angeles County Waterworks District No. 40, Antelope Valley (District), and the City to design and construct a portion of the North Los Angeles County Regional Recycled Water Project. The agreement will secure a funding commitment from the City to supplement the District's available funds in order to construct a portion of the project.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). The goals will be furthered by the cooperative funding of the project and by providing residents and property owners in the Antelope Valley with a more reliable water supply through the beneficial use of recycled water.

Strategic Asset Management Principles Compliance

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) and Community and Municipal Services (Goal 3). The goals will be furthered by the cooperative funding of the project and by providing residents and property owners in the Antelope Valley with a more reliable water supply through the beneficial use of recycled water.

FISCAL IMPACT/FINANCING

There will be no impact on the County General Fund. The estimated total cost of the project is \$14.6 million.

The District will contribute an amount not to exceed \$5.5 million for the project costs from new development assessment funds. These funds are included in the District's Fiscal Year 2009-10 Accumulated Capital Outlay Fund (N64). Sufficient funds to cover all contract administration costs for the project during design and construction are available in the District's Fiscal Year 2009-10 General Fund (N63). The agreement specifies that the City will deposit \$9.1 million with the District prior to construction to fund the remaining cost of the project. The agreement also requires the City to cover any amount exceeding the estimated total project cost of \$14.6 million.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The project is to construct water recycling facilities to supply recycled water to the Plant and augment existing and future District water supply through the beneficial use of recycled water in accordance with the California Water Code, Sections 13510-13512.

The agreement includes provisions for the City to recover a portion of its cost that is not directly benefiting its Plant through reimbursements from future customers that benefit from the project, consistent with the California Public Contract Code, Sections 20609-20613. Additionally, the agreement includes a provision for the City to recover a portion of its cost from Supplemental Environmental Project Funds set aside by the County Sanitation Districts of Los Angeles County, District Nos. 14 and 20, Lancaster and Palmdale, to fund the North Los Angeles County Regional

Recycled Water Project, subject to approval by the Lahontan Regional Water Control Board.

ENVIRONMENTAL DOCUMENTATION

A Programmatic Environmental Impact Report was certified by your Board for all phases of the project on December 9, 2008, and the District filed a Notice of Determination on December 15, 2008.

The Programmatic Environmental Impact Report provides project-level coverage for the construction and operation of the recycled water pipelines and municipal and industrial applications for recycled water. The remaining project components will undergo additional analysis upon completion of design of the project to determine the need for subsequent environmental documentation. If necessary, additional California Environmental Quality Act (CEQA) compliance will be completed to cover any minor changes to the pipeline alignment and for the construction of the proposed pump station and recycled water tank. Any additional environmental documentation that is prepared for the project will be presented to your Board for adoption prior to construction.

Execution of the agreement is not subject to provisions of the CEQA Guidelines because it is an activity that is excluded from the definition of a project by Section 15378(b) of CEQA Guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no negative impact on current County services or projects. The execution of the agreement will supplement the District's available funds to construct the project, which will enhance the quality of life for residents in the Antelope Valley by improving water reliability and reducing dependence on imported water.

CONCLUSION

Please return two approved copies of this letter to the Department of Public Works, Waterworks Division.

The Honorable Board of Supervisors
3/2/2010
Page 4

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER
Director

GF:AA:lr

Enclosures

c: Chief Executive Office (Lari Sheehan)
County Counsel
Executive Office

AGREEMENT BETWEEN LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40 AND THE CITY OF
PALMDALE TO DESIGN AND CONSTRUCT A PORTION
OF THE NORTH LOS ANGELES COUNTY REGIONAL
RECYCLED WATER PROJECT

THIS Agreement, ("AGREEMENT") made and entered into on this ____ day of _____, 2010, by and between the City of Palmdale, (hereinafter referred to as "CITY"), and Los Angeles County Waterworks District No. 40, Antelope Valley, (hereinafter referred to as "DISTRICT,") and together hereinafter referred to as "PARTIES".

DEFINITIONS:

RECYCLED WATER: For the purposes of this AGREEMENT recycled water will be considered disinfected tertiary treated recycled water meeting Title 22 standards (hereinafter referred to as "recycled water"); and

PROJECT. The PROJECT which is the subject of this AGREEMENT is a portion of the North Los Angeles/Kern County Regional Recycled Water Project to provide the primary backbone system for distribution of recycled water to end users in the Antelope Valley (Regional Project) as that project is described in the Final Program Environmental Impact Report SCH. No. 2007101125 prepared by the DISTRICT in conjunction with the CITY and other agencies and certified on December 9, 2008. The portion of that Regional Project which is the subject of this AGREEMENT and for the purposes of this AGREEMENT is referred to herein as the PROJECT is as follows:

1) Approximately 46,000 linear feet of 24-inch-diameter (backbone) pipeline commencing at Los Angeles County Sanitation District No. 20's Palmdale Water Reclamation Plant (PWRP), heading north along 30th Street East to Rancho Vista Blvd (Avenue P), westerly to 10th Street East, northerly along 10th Street East to Avenue O-8, westerly along Avenue O-8 to Sierra Highway, continuing northerly along Sierra Highway to Columbia Way (Avenue M), and continuing southwesterly along Avenue O and the Amargosa Creek from Sierra Highway to the DISTRICT'S existing tank site facility at 1054 West Avenue P, and connecting to the DISTRICT's tanks; and

2) Approximately 4,700 linear feet of 16-inch-diameter lateral pipeline from Sierra Highway along Avenue M to the Palmdale Hybrid Power Plant (PHPP) at Challenger Way (10th Street East); and

3) The DISTRICT's 850 horsepower (HP) pump station and appurtenant facilities at the PWRP, which will pump up to 9,200 gallons per minute (gpm), of recycled water into said backbone pipeline; and

4) The DISTRICT's one million gallon (MG) forebay tank located at the PWRP.

WITNESSETH

WHEREAS, the PARTIES support the State's policy for the beneficial reuse of recycled water to replace potable water where possible, in accordance with the California Water Code Sections 13510 *et seq.* which states in part as follows:

"There is a need for a reliable source of water for uses not related to the supply of potable water to protect investments in agriculture, greenbelts, and recreation and to replenish groundwater basins .." Water Code § 13576(c).

"The use of recycled water is a cost-effective, reliable method of helping to meet California's water supply needs." Water Code § 13576(f).

"The development of the infrastructure to distribute recycled water will provide jobs and enhance the economy of the state." Water Code § 13576(g).

"Retail water suppliers and recycled water producers and wholesalers should promote the substitution of recycled water for potable water and imported water in order to maximize the appropriate cost-effective use of recycled water in California." Water Code § 13576(h).

"The Legislature finds and declares that a substantial portion of the future water requirements of this state may be economically met by beneficial use of recycled water [¶] The Legislature further finds and declares that the utilization of recycled water by local communities for domestic, agricultural, industrial, recreational, and fish and wildlife purposes will contribute to the peace, health, safety and welfare of the people of the state. Use of recycled water constitutes the development of "new basic water supplies" as that term is used in Chapter 5 (commencing with Section 12880) of Part 6 of Division 6." Water Code § 13511.

"It is the intention of the Legislature that the state undertake all possible steps to encourage development of water recycling facilities so that recycled water may be made available to help meet the growing water requirements of the state." Water Code § 13512; and

WHEREAS, the PROJECT will provide for a portion of the primary backbone system for distribution of recycled water to end users in the Antelope Valley; and

WHEREAS, the PROJECT will reduce each PARTY'S dependence on imported water; and

WHEREAS, the PROJECT will augment local water supplies and conserve potable water; and

WHEREAS, the PROJECT will promote the State's policies for beneficial reuse of recycled water to replace potable water where possible; and

WHEREAS, the DISTRICT has contracted with County Sanitation Districts of Los Angeles County Nos. 14, Lancaster, and 20, Palmdale, to purchase up to 13,500 acre-feet annually of recycled water, as evidenced by the attached agreement; and

WHEREAS, the PARTIES will receive direct benefits from the construction and operation of the PROJECT; and

WHEREAS, the PARTIES agree to cooperate together to complete the design and construction of the PROJECT, and

WHEREAS, the County of Los Angeles Board of Supervisors authorized the DISTRICT to enter into a Consultant Services Agreement with Environmental Science Associates (ESA) for all required CEQA/NEPA compliance for the PROJECT; and

WHEREAS, the PARTIES estimate the design and construction of the PROJECT will cost approximately 14.6 million dollars which will be paid for in the following manner:

The DISTRICT will pay the full cost of design from its recycled water fund of approximately \$5.5 million dollars and will contribute the remaining balance in that fund (estimated at \$3.5 million dollars), after design costs, to the CONSTRUCTION COSTS OF PROJECT. In addition, the DISTRICT will pay the costs of contract administration for design and construction (estimated at \$1.5 million dollars) to be paid by the Waterworks District 40 general fund.

The CITY will advance the remaining costs of construction of the PROJECT (estimated at \$9.1 million dollars) subject to reimbursement, as provided in this AGREEMENT

WHEREAS, the PARTIES were equal partners in preparing a Program Environmental Impact Report "PEIR" to achieve environmental compliance for the PROJECT; and

WHEREAS, the DISTRICT, as lead agency, has adopted the Final PEIR, as evidenced by the attached resolution; and

WHEREAS, the DISTRICT shall be lead agency in implementing the PROJECT; and

WHEREAS, the DISTRICT has adopted Rules and Regulations in the "Waterworks Rules and Regulations" to address the distribution and sale of recycled water in the DISTRICT's service area; and

WHEREAS, the PARTIES desire to cooperatively engage in recycled water planning and jointly analyze proposed project elements; and

WHEREAS, the CITY is planning to construct, own, and operate the PHPP; and

WHEREAS, the CITY's PHPP will be located within the DISTRICT's service area, and the DISTRICT is the retail recycled water supplier to the PHPP; and

WHEREAS, the California Energy Commission requires the CITY's PHPP to have a reliable source of recycled water over the life of the PHPP; and

WHEREAS, the DISTRICT has already committed to provide 4,121 acre-feet per year of recycled water to the CITY's PHPP as required for 100% capacity operations; and to provide to the PHPP 3,091 acre-feet per year of recycled water as required for operation at an annual average of 75% capacity; and

WHEREAS, the PROJECT is being designed and constructed to accommodate the recycled water needs as identified in the Regional Project and the CITY's needs for recycled water for the PHPP; and

NOW, THEREFORE, in consideration of the benefits to be derived by the PARTIES and of the promises herein contained, it is hereby agreed as follows:

(1) CITY AGREES:

- a) To contribute \$3,800,000 (in 2009 dollars) towards the PROJECT construction costs, in proportion to the CITY's estimated share of the PROJECT COST (i.e. 28% of the backbone pipeline, pump station and forebay, and 100% of the PHPP lateral), to fund the following aspects of the PROJECT.
 - i. An 850 HP pump station to provide 9,200 gpm of recycled water to serve the PHPP and the DISTRICT'S service area.
 - ii. Approximately 33,000 linear feet (LF) of 24-inch-diameter pipeline from the PWRP to the PHPP lateral at Sierra Highway and Columbia Way (Avenue M).
 - iii. A 1 million gallon forebay tank at the PWRP
 - iv. Approximately 4,700 LF of a 16-inch-diameter pipeline in Columbia Way from Sierra Highway to the PHPP
 - v. Jack and bore of 320 LF of 5/8-inch-thick 48-inch-diameter steel casing under the railroad crossing at Sierra Highway and Avenue O-8.
 - vi. Jack and bore of 320 LF of 5/8-inch-thick 24-inch-diameter steel casing under the railroad crossing at Sierra Highway and Columbia Way
 - vii. Soft costs and force account work necessary to construct the PROJECT.
- b) To deposit a total of \$9,100,000 (in 2009 dollars) with the DISTRICT within thirty (30) days of awarding the construction contract for the PROJECT to cover the estimated PROJECT COST over and above the DISTRICT'S contribution.
- c) To supplement the initial deposit within 60 days of a request by the DISTRICT to cover the balance of the PROJECT COST, if the actual PROJECT COST exceeds the current estimate of \$14,600,000 (in 2009 dollars).
- d) To prepare, review, and approve future grant applications for implementation of the PROJECT.
- e) That DISTRICT will have sole authority to contract for an access charge pursuant to Public Contracts §§ 20600 et seq.
- f) That any contract on assessments under Public Contracts Code § 20600 are not commodities to be traded or sold and no interest shall accrue thereon.

(2) DISTRICT AGREES.

- a) To award and administer the contracts for the design and construction of the PROJECT pursuant to plans and specifications (hereinafter referred to as "Plans"), and to act, only after consulting with CITY, on behalf of CITY in all negotiations pertaining to the PROJECT. It is understood and agreed that the pump station shall be designed and constructed in a manner to accommodate additional pumps and a building housing the pumps to meet the needs of the Regional Project.
- b) To pay the full cost of the design of the PROJECT.
- c) To contribute **\$5,500,000** towards the PROJECT costs.
- d) To reserve the necessary capacity in the backbone system, measured in gallons per minute, to demonstrate compliance with the California Energy Commission's requirements for the PHPP.
- e) To provide the PHPP with 2,562 gpm (4,121 acre-feet per year) of recycled water flow as required for 100% capacity operations.
- f) To provide the PHPP with 1,916 gpm (3,091 acre-feet per year) of recycled water flow, as required for operation of the PHPP at an annual average of 75% capacity.
- g) To design and construct the forebay tank at the PWRP with sufficient capacity to meet the needs of the Regional Project.
- h) To design and construct the 24-inch pipeline to ensure redundancy throughout the Regional Project area.
- i) To allow the CITY to review, comment on, and approve the PROJECT design and Plans.
- j) To obtain and maintain all necessary State, local, or other needed regulatory approval or applicable permits.
- k) To notify CITY 48 hours in advance of the start of construction of the PROJECT so that the CITY may furnish an inspector, at no cost to the DISTRICT, to inspect construction of PROJECT. DISTRICT'S inspector shall consult with CITY'S inspector with respect to PROJECT, but DISTRICT'S inspector's instructions to DISTRICT'S contractor shall be final. Any inspection or any approvals of the Plans or the PROJECT by the CITY will not relieve the DISTRICT of its obligations relating to the PROJECT

- l) To furnish for approval by the CITY, within 60 days after acceptance of PROJECT by the DISTRICT, a final accounting ("FINAL ACCOUNTING") of the actual cost of PROJECT.
- m) To furnish CITY, within 60 days after acceptance of PROJECT by the DISTRICT, a reproducible set of as-built drawings of PROJECT
- n) To take all necessary steps to complete the PROJECT pursuant to the approved Plans.
- o) To own, operate and maintain the PROJECT
- p) To provide the PHPP recycled water up to twenty-eight percent (28%) of the capacity of the PROJECT, at no additional cost to the CITY, except as set forth in the DISTRICTs' Waterworks Rules and Regulations.
- q) To prepare, review, and approve future grant applications for implementation of the PROJECT.
- r) To refer parties seeking to connect to the PROJECT in the future to the CITY to pay their proportionate reimbursement share of the PROJECT costs based on capacity to the CITY in accordance with California Public Contract Code § 20600 et seq. for a period of 10 years. Reimbursement to the CITY should not exceed the difference between the total amount paid by the CITY toward the PROJECT costs and the CITY's share of the PROJECT costs as provided in Section 1(a).

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a) The CITY shall review and comment on draft and final versions of technical reports, design plans, specifications, construction documents, and revisions/addendums to the PROJECT within twenty-one (21) calendar days from the date of receipt of said documents from the DISTRICT. The CITY shall verify that the pump station is designed and constructed to accommodate future expansion to meet future demands. This accommodation shall include sizing the suction and discharge manifolds for existing and future demands and extending the manifolds so that they can be connected to future pumps outside the pump station foundation.
- b) The "CONSTRUCTION COSTS OF PROJECT" shall mean payments made to third-party contractors pursuant to contracts that are competitively bid for construction of the PROJECT.

- c) The CITY shall have the right to review and approve the FINAL ACCOUNTING and verify the accuracy and validity of the CONSTRUCTION COSTS OF PROJECT. The CITY reserves the right to adjust the final payment based on a review of the FINAL ACCOUNTING.
- d) The DISTRICT will retain independent control and sole ownership of the PROJECT, including operating and maintenance responsibilities.
- e) The DISTRICT will retain independent control and ownership of the pump station and forebay tank, including operating and maintenance responsibilities, where it resides at the PWRP.
- f) The purpose of the PROJECT is to provide recycled water to the Antelope Valley in accordance with the Regional Project and the DISTRICT will operate and control the PROJECT in a manner to so provide recycled water to the entire area as contemplated by such Regional Project.
- g) If CITY funds deposited with the DISTRICT exceed the CITY's share of the PROJECT costs, based upon the FINAL ACCOUNTING, such excess funds shall be refunded to the CITY within sixty (60) days of the CITY's acceptance of the FINAL ACCOUNTING.
- h) If the CITY's share of the PROJECT costs exceeds the CITY funds deposited with the DISTRICT, based upon the FINAL ACCOUNTING, the CITY will supplement this AGREEMENT in proportion to the CITY's share of the PROJECT costs (28% of the backbone pipeline, pump station and forebay; **100%** of the PHPP lateral) within sixty (60) days of the DISTRICT's submission of the FINAL ACCOUNTING to the CITY.
- i) The PROJECT'S actual funding gap, anticipated to be \$5,300,000 (in 2009 dollars) will be covered by the CITY and is eligible for reimbursement per Public Contract Code Sections 20600 *et seq.*
- j) All Supplemental Environmental Project (SEP) Funds contributed to the PROJECT from the County Sanitation Districts of Los Angeles County, Nos. 14 and 20 ("San Districts") shall be disbursed to the CITY. However, SEP Funds will not be released by the San Districts until the PROJECT is operational to the satisfaction of the San Districts.
- k) That the provisions of the existing General Services Agreement (No. 76573) shall not apply to this AGREEMENT or the PROJECT

City of Palmdale Agreement No. A-2893
Los Angeles County Agreement No.

- l) That the provisions of the existing Assumption Liability Agreement (No. 32073) shall not apply to this AGREEMENT or the PROJECT
- m) That the DISTRICT's Waterworks Rules and Regulations apply to the recycled water service provided by the DISTRICT to the CITY and PHPP.
- n) This AGREEMENT may be amended or modified only by mutual written consent of both PARTIES.
- o) This AGREEMENT shall have a term of ten (10) years after the date of execution, with two (2) five (5) year extensions by mutual written consent from both PARTIES prior to expiration, provided however, the DISTRICT'S obligation to provide recycled water to the CITY shall continue for the life of the PHPP as set forth in Sections 2 (d)(e)(f) of this AGREEMENT. The provisions of Sections 2(o) and 3(f) shall also survive the termination of this AGREEMENT
- p) To the extent that liability is imposed on either party pursuant to the provisions of Government Code § 895.2, each party shall indemnify, defend, protect, hold harmless, and release the other, their elected bodies, officers, agents, and employees, from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of such indemnifying party. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts. This provision shall survive termination of this AGREEMENT
- q) Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY OF PALMDALE. Mr. Michael J. Mischel
Public Works Director
38250 Sierra Highway
Palmdale, CA 93550

LOS ANGELES COUNTY WATERWORKS DISTRICT NO 40:
Mr Adam Ariki
Assistant Deputy Director
Waterworks Division
County of Los Angeles

Department of Public Works
P O. Box 1460
Alhambra, CA 91802-1460

- r) The CITY reserves the right to terminate the AGREEMENT in the event that CITY is unable to obtain grant funding for the PROJECT; however, in the event that the CITY terminates the AGREEMENT, the CITY must fund all costs incurred for design and construction of the PROJECT up to the point of termination, and reasonable demobilization costs, if any.
- s) The DISTRICT reserves the right to terminate the AGREEMENT for any of the following reasons:
 - i. For convenience; or
 - ii. If the DISTRICT, in its sole discretion, determines that the CITY is unable to fund their portion of the PROJECT within the PROJECT timeline projections; or
 - iii. If the necessary environmental documents for the PROJECT facilities have not been adopted by the County of Los Angeles Board of Supervisors.
- t) If the DISTRICT terminates this AGREEMENT prior to completion of the construction of the PROJECT and chooses not to complete the construction of the PROJECT within 10 years of the execution of this AGREEMENT, the DISTRICT agrees that the CITY may complete the PROJECT and in such event CITY shall be entitled to own and operate the PROJECT
- u) This AGREEMENT constitutes the full and complete understanding of the parties regarding the design and construction of the PROJECT. This AGREEMENT supersedes any prior or contemporaneous agreements between the parties regarding the foregoing matters.
- v) Nothing in this AGREEMENT is intended by the PARTIES to entitle the CITY to recycled water from the DISTRICT other than pursuant to paragraphs (2)(e) and (2)(f) herein.
- w) Except as provided herein, this AGREEMENT is intended solely for the benefit of the CITY and the DISTRICT, not any third parties.
- x) Each person signing this AGREEMENT represents to have the necessary power and authority to bind the entity on behalf of which

said person is signing and the other party can rely on that representation.

- y) Each PARTY has received independent legal advice from its attorneys with respect to the advisability of executing this AGREEMENT and the meaning of the provisions hereof. This AGREEMENT has been drafted through a joint effort of the PARTIES and their counsel and therefore shall not be construed against either of the Parties in its capacity as draftsperson but in accordance with its fair meaning.

IN WITNESS WHEREOF, the PARTIES hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by CITY OF PALMDALE; and

CITY OF PALMDALE

LOS ANGELES COUNTY
WATERWORKS DISTRICT NO. 40

By


Stephen H. Williams,
City Manager


By


Gail Farber
Director


APPROVED AS TO FORM:

APPROVED AS TO FORM:
County Counsel

By

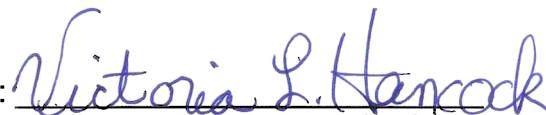

William Matthew Ditzhazy
City Attorney

By


Deputy

ATTEST.

By


Victoria L. Hancock, CMC
City Clerk